

Table of Contents

This report provides weekly updates in the eight key areas identified as pillars of US government policy for victory in Iraq.

SECTION	SLIDE
<u>Highlights</u>	3
1. Defeat the Terrorists and Neutralize the Insurgents	5
2. Transition Iraq to Security Self-Reliance	6
3. Help Iragis to Forge a National Compact for Democratic	8
<u>Government</u>	
4. Help Iraq Build Government Capacity and Provide Essential	11
<u>Services</u>	
5. Help Iraq Strengthen Its Economy	15
6. Help Iraq Strengthen the Rule of Law and Promote Civil Right	<u>ts</u> 23
7. Increase International Support for Iraq	24
8. Strengthen Public Understanding of Coalition Efforts and	26
Public Isolation of the Insurgents	
Sources and Contact Information	28
Notes and Source Citations	29
2	UNCLASSIFIE

Highlights



1. Defeat the Terrorists and Neutralize the Insurgents

US Marines discovered more than ten metric tons of munitions hidden at 72 cache sites 39 kilometers south of Fallujah during the week-long Operation Green Trident.

2. Transition Iraq to Security Self-Reliance

Over 500 soldiers from the Coalition Forces and the Iraqi Army came together for a battle-space assumption handover ceremony December 27. For the first time within Ninewah Province the Iraqi Army assumed military control of the battle-space.

- 3. Help Iraqis to Forge a National Compact for Democratic Government
 A number of political groups, including the major Sunni Arab political parties
 and former Prime Minister Allawi's National Iraqi List, have organized to protest
 alleged fraud during the December 15 election. The Electoral Commission and
 international observers are considering these complaints.
- 4. Help Iraq Build Government Capacity and Provide Essential Services Iraqi Oil Minister Ibrahim Bahr al-Uloum formally submitted his resignation, citing opposition to increased fuel prices which have led to protests in some areas, on December 19. Deputy Prime Minister Ahmed Chalabi has assumed the role as Acting Minister of Oil.

Highlights



5. Help Iraq Strengthen Its Economy

Iraq's oil exports fell to 1.1 million barrels per day in December from 1.2 million barrels in November, the lowest since exports began after the war in 2003. The fall was due to security problems in the north and bad weather at southern ports which halted exports for more than a week last month.

6. Help Iraq Strengthen the Rule of Law

Interpol has issued an international wanted persons notice for Ahmad Fadil Nazal Al-Khalayleh (alias Abu Musab Al-Zarqawi), head of al-Qaida in Iraq, who is wanted in several countries for terrorist attacks.

7. Increase International Support for Iraq

An international team has agreed to further assess Iraq's parliamentary elections, announcing on December 29 members would travel to Iraq in response to complaints and protests by some Iraqi political groups.

8. Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents

In a speech at the Pentagon on January 4, President Bush reiterated the US strategy in Iraq.

[1.] Defeat the Terrorists and Neutralize the Insurgency



Operation Green Trident Turns Up 72 Caches:

US Marines discovered more than ten metric tons of munitions hidden at 72 cache sites 39 kilometers south of Fallujah during the week-long Operation Green Trident. First Reconnaissance Battalion, Regimental Combat Team Eight began the operation last week near the village of Al Latifiyah, south of Baghdad, to search suspected locations for hidden weapon caches. More than 1,000 artillery and mortar rounds were unearthed along with scores of rocket propelled grenades and hand grenades. Most of the caches were shallowly buried along the banks of the Euphrates River and surrounding area. The weight of the explosives

contained within these munitions was approximately one metric ton (2,200 lbs). Artillery and mortar rounds are commonly used by insurgents to make improvised explosive devices.

ISF Rescues Kidnapping Victim, Arrests Three:

 Iraqi Police and Army units successfully rescued the brother of a Salah ad Din Provincial Council member and arrested three suspects after a failed kidnapping attempt in Tikrit on December 29.

[2.] Transition to Security Self-Reliance – Iraqi Security Forces



First Battle Space Transition In Ninewah Province:

Over 500 soldiers from the Coalition Forces and the Iraqi Army came together
for a battle-space assumption handover ceremony December 27. For the first
time within Ninewah Province the Iraqi Army assumed military control of the
battle-space. Turnover of responsibility to the Iraqi Army will help bring
security and stability back to the nation and ultimately defeat the insurgency.
This effort has enabled the Iraqi people to have increased confidence in the
capability and credibility of its security forces.

8th Iraqi Division Gets Certified:

The 8th Iraqi Army Division became a certified unit on December 20. The
certification gives division commanders the authority to plan and conduct
operations throughout the Babil, Al Qadisiyah and Wasit provinces. The
growing capability of the Iraqi Army has been impressive, said Major General
Piotr Czerwinski, Commanding General of Multi-National Division Central
South.

[2.] Transition Iraq to Security Self-Reliance – Iraqi Security Forces



Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED		
POLICE	77 500		
HIGHWAY PATROL	~77,500		
OTHER MOI FORCES	~40,500		
TOTAL	~118,000*		

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	~104,400
AIR FORCE	~500
NAVY	~800
TOTAL	~105,700**

Total Trained & Equipped ISF:

~223,700

- * Ministry of Interior Forces: Unauthorized absence personnel are included in these numbers
- ** Ministry of Defense Forces: Unauthorized absence personnel are not included in these numbers

 Data as of December 28, 2005 (updated bi-weekly by DOD)

[3.] Help Iraqis to Forge a National Compact for Democratic Government— Developments



Status of Elections Complaints:

 Almost all serious complaints remaining have been adjudicated by the Independent Electoral Commission of Iraq (IECI) The IECI completed work on the Baghdad complaints, disqualifying controversial ballot boxes.

Additional International Observation of the Election:

- Both UN Secretary-General Kofi Annan and his Special Representative for Iraq, Ashraf Qazi, have stated publicly that they welcome the invitation of the IECI for additional international observers to assess the December 15 elections. "It is critical that those Iraqi groups who have complained about the conduct of the election are given a hearing," Annan said. Annan and Qazi have also released statements stressing the "importance that the convening of the elected Council of Representatives is not unduly delayed and that an inclusive process of government formation commences as soon as possible."
- Secretary Rice and Ambassador Khalilzad each applauded the IECI's willingness to be as open as possible. The Secretary noted that, "The Electoral Commission has once again demonstrated its commitment to fair and credible elections that meet international standards. It is a reminder of the critical role of this independent body in ensuring the integrity of the democratic process."

[3.] Help Iraqis to Forge a National Compact for Democratic Government - Iraqi Transitional Government



Deputy President

Jalal Talabani

Deputy President

Sheikh Ghazi al-Yawr

'Adil 'Abd al-Mahdi

Prime Minister

President

Ibrahim al-Ja'fari

Deputy Prime Minister

Ahmad al-Chalabi

Deputy Prime Minister

Vacant

Deputy Prime Minister
Rawsh Shaways

Deputy Prime Minister

'Abd Mutlak al-Juburi

Minister of	
Communications	
Juwan Fu'ad Ma'sum	
(F)	l

Minister of Culture Nuri al-Rawi

Minister of Defense Sa'dun al-Dulaymi

Minister of Displacement & Migration Suhayla al-Kinani (F)

Minister of Health

Muhsin Shallash

Minister of

Minister of Education Abdul Mun'im alFalah Hasan

Minister of

Agriculture

Ali al-Bahadili

Minister of Environment

Minister of Finance

Minister of Foreign Affairs

Hoshyar Zebari

Abd al-Muttalib al-Rubay'i

Minister of Higher Education

Sami al-Muzaffar

Minister of Human Rights

Vacant

Minister of Industry & Minerals

Narmin 'Uthman (F)

Usama al-Najafi

Minister of Interior

Bayan Jabr

Minister of Justice

ʻAbd al-Husayn Shandal

Minister of Housing & Construction

Jasim Ja'far

Minister of Labor & Social Affairs

Idris Hadi

Minister of Oil

Ahmad al-Chalabi (Acting)

Minister of Planning

Barham Salih

Minister of Trade

'Abd al-Basit Mawlud

Minister of Science & Technology

Basima Butrus (F)

Minister of Municipalities & Public Works

Nasreen Berwari (F)

Minister of Transportation Salam al-Maliki

Minister of Water Resources

'Abd al-Latif Rashid

Minister of Youth & Sports

Talib Aziz al-Zaini

Minister of State for Civil Society

'Ala' abib Kazim

Minister of State for National Assembly Affairs

Safa' al-Din al-Safi

Minister of State for National Security Affairs

'Abd al-Karim al-'Anzi

Minister of State for Provinces

Sa'd al-Hardan

Minister of State for Tourism and Antiquities

Hashim al-Hashimi

Minister of State for Women's Affairs

Azhar al-Shaykhli (F)

(F) = Female

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[4.] Help Iraq Build Government Capacity and Provide Essential Services – Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2



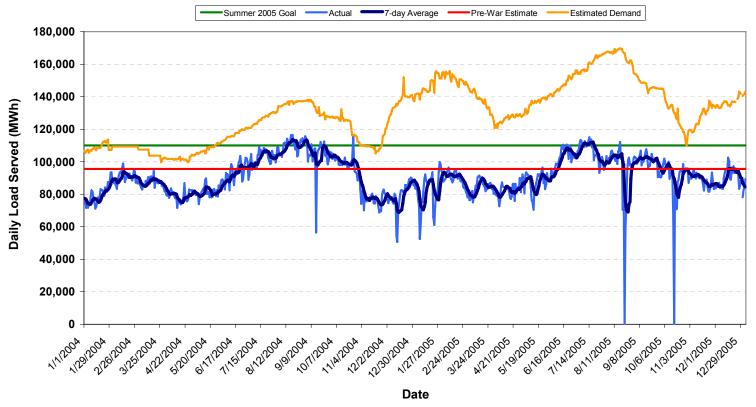
\$Millions	Apportion	ed	Committed		Obligated			Disbursed			
Sector	2207 Report	Apportion	Last Week	Current	Change	Last Veek	Current	Change	Lact Veek	Current	Change
Security and Law Enforcement	5020.60	5020.60	4,942.7	4,948.3	5.62	4,782.2	4,782.3	0.03	4,093.0	4,097.1	4.2
Electricity Sector	4309.82	4077.22	3,839.1	3,832.9	(6.20)	3,041.6	3,052.3	10.74	1,786.7	1,799.0	12.3
Oil Infrastructure	1723.00	1723.00	1,684.6	1,683.9	(0.75)	1,402.6	1,403.4	0.87	657.0	657.8	0.8
Justice, Public Safety and Civil Society	1251.15	1251.15	1,205.6	1,215.7	10.16	1,096.8	1,106.1	9.32	670.1	673,6	3.5
Democracy	1003.85	1003.85	968.2	968.2	0.00	967.9	967.9	0.00	646.9	654.2	7.4
Education, Refugees, Human Rights, Governance	363.00	363.00	339.0	339.0	0.00	334.8	334,8	0.00	195.1	198.7	3.6
Roads, Bridges and Construction	333.72	333.71	291.0	291.0	0.00	256.1	262.4	6.32	159.0	159.0	0.0
Health Care	786.00	786.00	727.3	727.3	0.00	633.7	633.9	0.24	344.5	344.7	0.3
Transportation and Communications	508,51	508.51	446.2	446.3	0.13	396.6	396.7	0.10	208.7	209.5	0.0
Vater Resources and Sanitation	2131.08	1819.08	1,583.0	1,585.0	1.99	1,421.4	1,433.1	11.67	688.1	695.1	7.0
Private Sector Development	795.28	795.27	793.5	793.5	0.00	782.3	782.3	0.00	555.8	556.2	0.4
Admin Expense (USAID, STATE)	213.00	213.00	147,9	151.0	3.16	147.9	151.0	3.16	56.7	57.5	0.8
TOTAL	18439.00	17894.39	16,967.9	16,982.1	14.12	15,263.8	15,306.3	42.46	10,061.5	10,102.5	41.0
IRRF 2 Construction			9,720.1	9,723.0	2.96	8,363.7	8,393.8	30.10	5,023.8	5,046.0	22.2
IRRF 2 Non-Construction			6,279.7	6,290.8	11.16	5,932.1	5,944.5	12.36	4,390.8	4,402.2	11.4
IRRF 2 Democracy			968.2	968.2	0.00	967.9	967.9	(0.03)	646.9	654.2	7.4
IRRF 1 Subtotal	2473.30	2473.30	2,473.3	2473.30	0.00	2,473.3	2,473.3	0.00	2,406.6	2,406.6	0.0
Grand Total IRRF 1 8 2	20912.30	20367.69	19,441.2	19,455.4	14.12	17,737.1	17,779.6	42.46	12,468.1	12,509.1	41.0

As of January 04, 2006

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity Overview



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Electricity availability decreased drastically in the last week (December 27

 January 2) in Baghdad due to
 poor performance by Baghdad area plants and attacks on energy infrastructure.
- Baghdad residents received on average 3.7 hours per day, while the nationwide average was 10.2 hours per day.
- Despite the decreased hours of power, electricity output for the month of December 2005 was on average
 14 percent higher than it was a year previous. Consumer demand is approximately the same.

[4.] Help Iraq Build Government Capacity and Provide Essential Services —Public Health, Healthcare, Water and Sanitation



Water and Sanitation:

- Construction is complete for two US government funded Water Network Projects in Kut City, Wasit Province. The \$310,000 Al Abasseya Water Network Project and the \$670,000 Al Anware and Door Ray Water Network Projects will benefit 1,250 homes or about 7,500 people. The two projects, collectively worth nearly \$1 billion, provided 8 kilometers of new pipeline to replace damaged pipes and extend the network.
- US government funded construction of the Al Yarmouck Water Pump Station in western Mosul Province was completed on December 19. The new pump station is vital to ensuring homes and businesses have adequate water pressure and flow. The project will benefit around 100,000 residents in the local area.

Public Health and Healthcare:

Construction of two Primary Healthcare Centers (PHC) completed last week.
 They are the first two of 142 PHCs across Iraq to be completed.

[4.] Help Iraq Build Government Capacity and Provide Essential Services —Education and Transportation



Education:

- Construction is complete for a \$1 million school in Hit, Al Anbar Province. The
 Teachers College has 28 classrooms that can support 25-30 students each with a
 maximum capacity of 600 students. At present, there are 45 US government
 funded school projects complete out of 51 planned in the province.
- An estimated 310,000 Iraqi school children are benefiting from the 784 schools renovated and new schools completed to date by the US Army Corps of Engineers and the US Project and Contracting Office (PCO). A further 15 schools are under construction. An additional 31 school renovations have been completed under PCO's Accelerated Iraqi Reconstruction Program. A total of 840 schools renovations by PCO are planned.

Transportation:

The 6,000 residents of Taha and Al Khas villages in Al Anbar Province will benefit
from the recently completed road improvement projects that consist of asphalt
paving and culvert installation. The improved roads will increase access to local
schools and the water treatment plant in Taha. Currently, there are three village
road projects completed out of five planned in the province.

[4.] Help Iraq Build Government Capacity and Provide Essential Services —Telecommunications



Telecommunications:

 For the December 15 Elections, the Advanced First Responders Network was operational in 9 of 15 planned cities. Most of the 42 base stations outside Baghdad are running on back-up generators until electrical connections are completed by the Ministry of Electricity. A total of 7,695 handheld and 129 desktop radios have been distributed to end users outside Baghdad.

[5.] Help Iraq Strengthen Its Economy – Oil Update and Job Creation



Oil Update:

- Crude oil prices in world markets for the week ending December 23 closed with the following prices:
 - Basra Light at \$49.21/barrel

– Dated Brent at \$57.97/barrel

WTI Cushing at \$59.84/barrel

- Oman/Dubai at \$52.36/barrel

Kirkuk Crude at \$51.22/barrel

Employment Update:

The following chart shows the number of Iraqis employed by USG-administered projects:

Employing Organization	Iraqis Last Week	Iraqis This Week	% Increase on Week
PCO (Project and Contracting Office)	34,209	34,209	0.0%
USAID	38,937	38,803	-0.3%
AIRP (Accelerated Iraqi Reconstruction Program)	1,664	1,268	-23.8%
MILCON (Military Construction)	249	282	13.3%
CERP (Commanders' Emergency Response Program)	0	0	0.0%
MNSTC-I	14,341	15,548	8.4%
IRRF NON-CONSTRUCTION	15,442	15,442	0.0%
GRAND TOTAL	104,842	105,552	0.7%

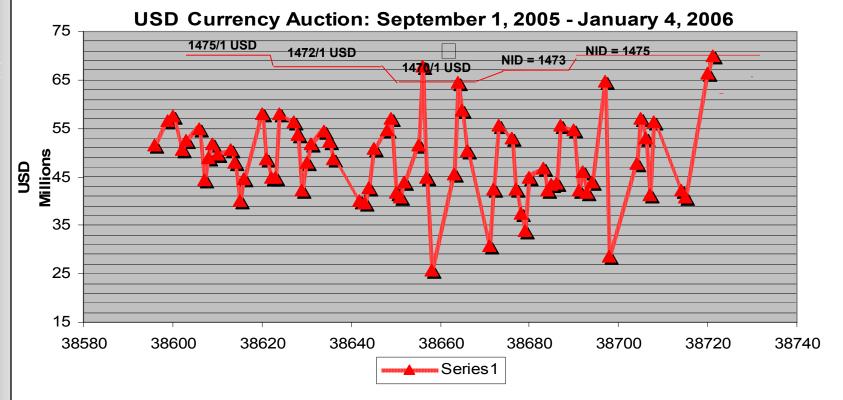
[5.] Help Iraq Strengthen Its Economy - Banking Sector



Central Bank's US Dollar (USD) Currency Auction:

• The following table shows volume sold and exchange rates for USD in the Iraqi currency auction from September 1 through January 4, 2006. The exchange rate increased slightly this week ending at 1,481 dinars per USD on January 4.

Central Bank of Iraq



[5.] Help Iraq Strengthen Its Economy



Oil Exports:

 Iraq's oil exports fell to 1.1 million barrels per day in December from 1.2 million barrels in November, the lowest since August 2004, when exports declined due to Mahdi Army sabotage of the southern export pipeline. December's low numbers were due to security problems in the north and bad weather at southern ports, which halted exports for more than a week last month.

Debt Relief:

 Following the IMF's approval of a SBNA for Iraq, the Paris Club sent a letter to the Ministry of Finance announcing that the second tranche of debt relief under Iraq's Paris Club debt agreement would be implemented. The second tranche brings the total Paris Club debt forgiven to 60 percent. The final 20 percent will depend on Iraq's performance during three years under the SBA.

[5.] Help Iraq Strengthen Its Economy



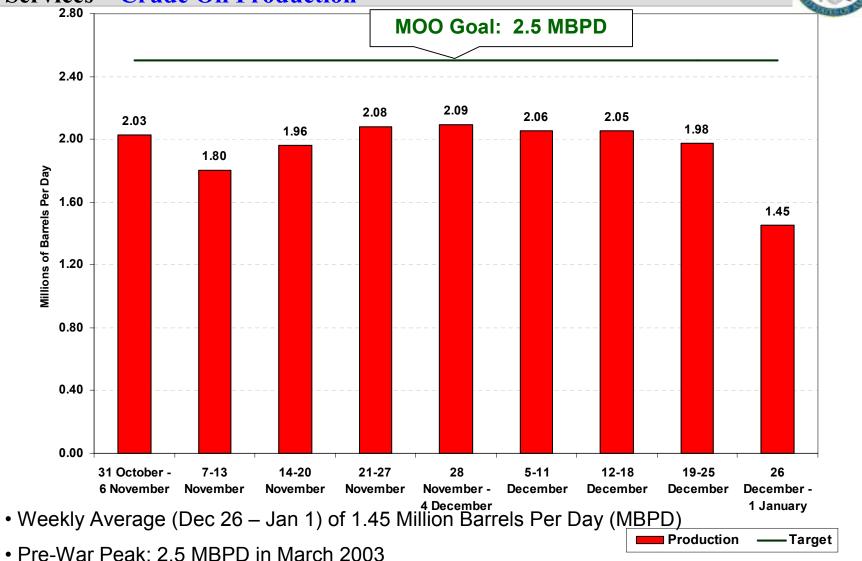
Trade:

In the first half of 2005 the three largest exporters to Iraq were Turkey, the US, and China. China's ranking jumped from tenth during the same period in 2004. Turkey's largest export was fuel products, but it also shipped more agricultural products to Iraq than any other country. Electric machinery, TV equipment and general machines were major exports for all three top suppliers.

Agriculture:

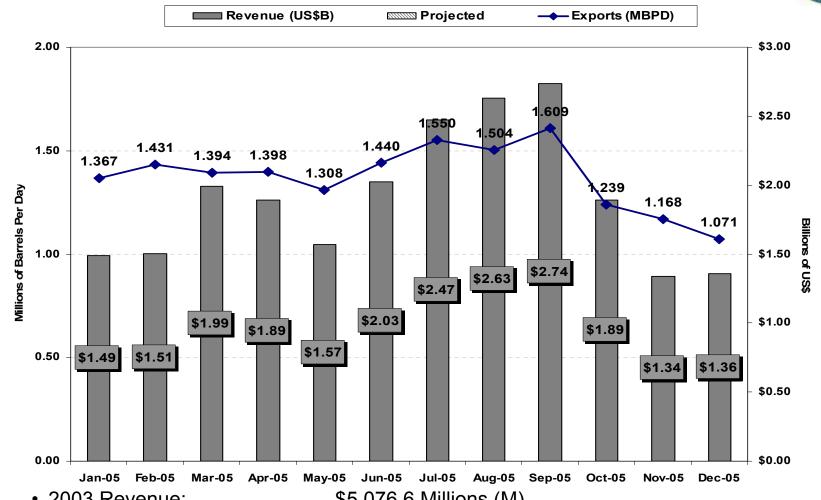
 USAID/ARDI is providing grants to the provinces of Ninewa and Kirkuk to establish private veterinary service providers. The project will create ten new veterinary service businesses in each province. The businesses will create employment for 50 trained veterinarians and will reduce dependence on government services.

[5.] Help Iraq Build Government Capacity and Provide Essential Services – Crude Oil Production



[5.] Help Iraq Build Government Capacity and Provide Essential Services - Crude Oil Export





2003 Revenue:

\$5,076.6 Millions (M)

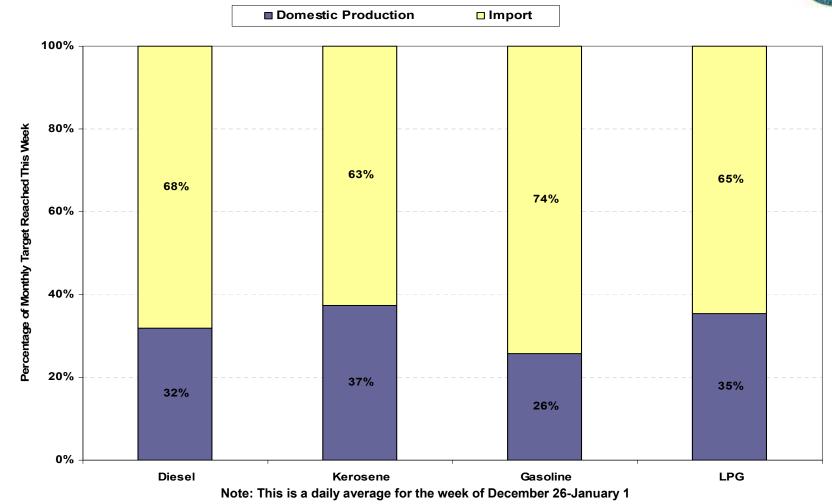
2004 Revenue:

\$23,480.8 M 20

\$17,012.3 M

[5.] Help Iraq Build Government Capacity and Provide Essential Services – Total Critical Refined Product Supplies





• Diesel: 12.0 ML supply of 18 ML target

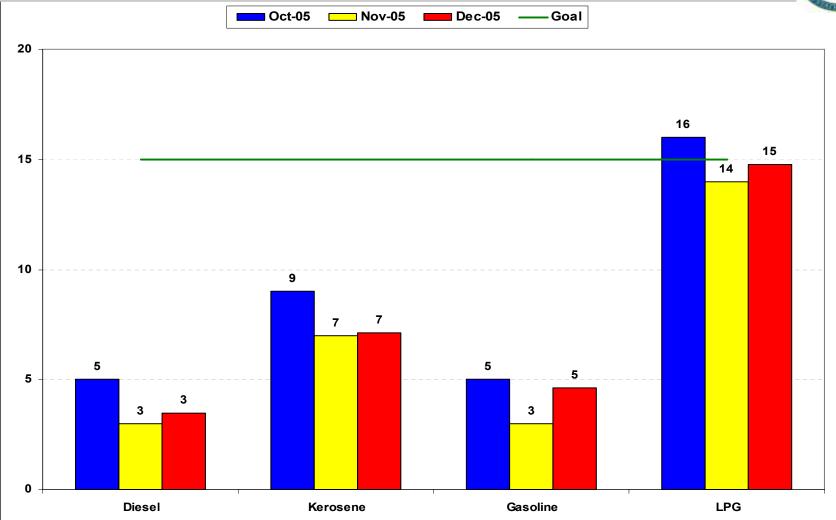
• Gasoline: 11.4 ML supply of 18 ML target

• Kerosene: 5.3 ML supply of 19.6 ML target

• LPG: 3,303 tons supply of 4,300 tons target

[5.] Help Iraq Build Government Capacity and Provide Essential Services – National Stock Levels





• The goal is to have on hand 15 days supply of all refined products, calculated on the basis of maximum consumption over the year and not adjusted for seasonal variation. The numbers given above are monthly averages.

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[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights—Iraqi Judicial System



Interpol Issues Red Notice for al-Qaida's Abu Musab Al-Zarqawi:

Interpol has issued an international wanted persons notice for Ahmad Fadil Nazal Al-Khalayleh (alias Abu Musab Al-Zarqawi), head of al-Qaida in Iraq who is wanted by police in several countries for terrorist attacks. The Red Notice was issued at the request of Algeria, through the Interpol National Central Bureau, which is seeking Al-Zarqawi's arrest in connection with the kidnapping and murder of two Algerian diplomats in Iraq in July 2005. Al-Zarqawi is also wanted by authorities in Iraq in connection with a series of terrorist offences, and in Jordan where he has claimed responsibility for attacks and bombings, including the bombings in Amman in November that killed more than 50 people. Interpol Red Notices are distributed to all of Interpol's 184 member countries using the organization's global police communications system. They serve to communicate to the world's police that a suspect is wanted by a member country and request that the suspect be placed under provisional arrest pending extradition.

[7.] Increase International Support for Iraq – Developments



International Team to Review Iraq's Parliamentary Elections:

- An international team has agreed to further assess Iraq's parliamentary elections, announcing on December 29 members would travel to Iraq in response to complaints and protests by Sunni Arab and secular Shiite groups.
 - The International Mission for Iraqi Elections will include two representatives from the League of Arab States, one executive member of the Canadian Association of Former Parliamentarians and a respected European academic.
 - The team will travel to Iraq after receiving an invitation from the Independent Electoral Commission of Iraq to review about 1,500 complaints lodged by candidates and parties.

Sudan Closes Embassy in Baghdad:

• The Government of Sudan announced on December 31 that it had closed its Embassy and recalled its diplomatic envoy due to security concerns. The move came after al-Qaida in Iraq claimed responsibility for kidnapping five Sudanese on December 29, including a Sudanese diplomat, and threatened to kill them within two days if Khartoum did not sever relations with Iraq. The Sudanese government stated publicly on January 1 that its ties to Iraq are not affected by the closure of its Embassy.

[7.] Increase Int'l Support for Iraq – Contributors to Iraqi Stability Operations



Data as of December 28, 2005

28 Multi-National Forces – Iraq (MNF-I) Contributors (in addition to US)

Albania

El Salvador

Lithuania

Romania

Armenia

Estonia

Macedonia

Singapore

Australia

Georgia

Moldova

Slovakia

Azerbaijan

Italy

Mongolia

South Korea

Bosnia-Herzegovina

Japan

Netherlands

Ukraine

Bulgaria

Kazakhstan

Poland

UK

Czech Republic

•

Latvia

Portugal

Denmark

TOTAL ~ 23,000 Forces

*Note: Fiji participating as a part of the UN mission in Iraq.

29 Countries and NATO

(including US)

Support Iraqi Stability Operations

[8.] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents — Developments



President Bush Speaks at Pentagon:

• In a speech at the Pentagon on January 4, President Bush discussed the US strategy in Iraq. "In 2006, the mission is to continue to hand over more and more territory and more and more responsibility to Iraqi forces. A year ago there was only a handful of Iraqi army and police battalions ready for combat, ready to take the lead; today, there are more than 125 Iraqi combat battalions fighting the enemy, and 50 of those are in the lead. That's progress. And it's important progress, and it's an important part of our strategy to win in Iraq. And as we see more of these Iraqi forces in the lead, we'll be able to continue with our desire, our stated strategy that says as Iraqis stand up, we'll stand down."

US Ambassador Reviews 2005 in Iraq:

 Ambassador Zalmay Khalilzad released a statement on December 31, looking back and looking ahead in Iraq. The ambassador highlighted the progress in Iraq towards a national compact. "A good deal of progress was made as the constitutional draft was being negotiated: differences among groups narrowed; some issues were deferred to the next parliament, which is envisioned to be more representative; leaders of other groups agreed to fast-track amendments, partly in order to win support from some Sunni Arab groups. Such give-andtake contributed to the ratification of the constitution."

[8.] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents — Developments



Secretary Rice Welcomes Mission to Review Iraq Elections:

Secretary of State Condoleezza Rice welcomed a mission by international experts to review the conduct of Iraq's legislative elections December 15 and rule on their fairness. "I welcome the invitation of the Independent Electoral Commission of Iraq to international monitors and experts to observe and review the December 15 elections, including the complaints and settlement process," Rice said in a statement released December 29. The international review will be conducted by two representatives from the Arab League, one representative from the Canadian Association of Former Parliamentarians, and a European academic under the auspices of the International Mission for Iraqi Elections.

Chairman of the Joint Chiefs of Staff Discusses US Objectives in Iraq:

Training Iraqi forces to defend their country and eliminating the insurgency are the primary US objectives in Iraq for 2006, said Marine General Peter Pace, Chairman of the Joint Chiefs of Staff. Speaking on ABC's *This Week* from the Balad Air Base in Iraq on January 1, General Pace said the US wants "to make sure that the Iraqi armed forces and Iraqi police are capable of defending their own land" and said "they're getting much more capable at doing that."

Iraq Weekly Status – General Information



 This brief draws from multiple sources. References are cited on the following pages.

Please forward all questions and/or comments to <u>NEA-I-IPOG-DL@state.gov</u>

Notes and Source Citations (1 of 3)



Slide 5:

- MNF-I Press Release, Operation Green Trident turns up 72 caches, http://www.mnf-iraq.com/Releases/Jan/060102b.htm, January 2, 2006
- MNF-I Press Release, ISF Rescues Kidnapping Victim, Arrests Three, http://www.mnf-iraq.com/Releases/Dec/051230f.htm, December 30, 2005

Slide 6:

- MNF-I Press Release, First Battle Space Transition In Nineveh Province, http://www.mnf-irag.com/Releases/Dec/051229b.htm, December 29, 2005
- Lt. Cmdr. Bartosz Zajda, Multi-National Division Central South, This Week In Iraq, 8th Iraqi Division gets certified, Vol 1, No. 19

Slide 7:

DoD Input to Iraq Weekly Status Report

Slide 8:

POC: Victor Hurtado, Dept of State, 202-647-5281

Slide 10:

The IRRF Financial Chart is sourced from the 04 Jan 06 IRMO Weekly Status Report

Slide 11:

- POC Tom Gramaglia, (202) 736-4065
- The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load. Currently supplies are not much improved over last year when judged by hours of power, but this is due in part to an influx of new appliances. This has dramatically altered demand and diluted the effect of increased generation capacity on actual results.

Slide 12:

- http://www.centcom.mil/CENTCOMNews/Stories/12_05/51.htm
- USACE daily update 28 December, 2005.
- PCO weekly reconstruction update, 3 January 2006.

Slide 13:

- Information regarding the Hit Teachers College comes from the USACE daily update from 29 December 2005.
- Information on the number of school projects from PCO comes from the PCO weekly reconstruction update, 3 January 2006.
- Information regarding the Anbar village road projects comes from the USACE daily update from 3 January 2006.

Slide 14:

- POC: Ryan Jerke, Dept of State 202-647-6358

Slide 15:

- Oil Prices are sourced from Bloomberg
- Information regarding the Employment Update was sourced from the IRMO Weekly Report January 04, 2006
- CERP has not reported figures for some time. Until they
- report accurate data, the number will remain at 0.
- PCO will be reporting on a bi-weekly basis.
- USAID continues to update weekly.

Notes and Source Citations (2 of 3)



Slide 16:

Information regarding the NID auction was gathered from the Central Bank of Iraq's website: http://www.cbiraq.org.

Slide 17:

POC: Laura Byergo, Dept. of State, 202-647-4267

Slide 18:

- POC: Laura Byergo, Dept. of State, 202-647-4267

Slide 19:

- POC Matthew Amitrano, (202) 647-5690
- NOTE: Production dropped in the south due to tankers unable to dock at the oil terminals due to bad weather and southern storage facilities are at full capacity.
 With no where to send the crude, field managers have lessened output. As of Monday, the weather cleared and the situation should return to normal in a matter of days.
- Iraq Petroleum Sector Facts
- There are three main refineries in Iraq: Bayji (North), Daura (Baghdad), and Basra (South).
- There are several minor refineries (known as topping plants) dotted through the country: Kisik (Mosul), Qarrayah, Haditha, Tikrit, Nassiriyah, Maysan (Amarah), and Samawah. These primarily produce asphalt and low grade kerosene and diesel.
- The majority of Iraq's oil infrastructure is antiquated and in need of modernization.
- Domestically produced refined products (gasoline/benzene, diesel, kerosene, LPG) currently do not meet domestic demand because of sabotage to the
 pipeline infrastructure. Iraq will be dependent upon imports until the insurgents cease operations against oil pipelines.

Slide 20:

- For the 2004 revenue, this already deducts the 5% war reparations to Kuwait. If included in revenue, the total would be \$17.5B.
- Projected revenue implies if the current export rate held for the entire month.
- Al-Faw Terminals: Al-Basra Oil Terminal (ABOT) and Khor al-Amaya Oil Terminal (KAOT)
 - · Production and export are at normal rates.
- Iraq-Turkey Pipeline (IT)
 - The IT line works intermittently since the Iraqis sell the crude oil in lumps.
- Iraq-Syria-Lebanon Pipeline (ISLP)
 - · This line has been closed since 2003.
 - Discussions were held between Iraqi and Syrian government officials, but no timetable has been set up to reopen this line.
 - In the meantime, Iraq has set up a barter arrangement in which it exports 14KBPD from the Ayn Zalah field to Syria for refined products and electrical production.
- Iraq Pipeline through Saudi Arabia (IPSA)
 - This line has been closed since 1991. There are no plans to reopen this line.

Slide 21:



- POC Matthew Amitrano, (202) 647-5690
- Note: Data missing from Sept 2-4. This graph will be updated when the data arrives.

Notes and Source Citations (3 of 3)

- Goals set by the State Oil Marketing Organization (SOMO), a company owned by the Ministry of Oil (MOO).

Slide 22:

- POC Matthew Amitrano, (202) 647-5690
- Note: Data missing from Sept 2-4. This graph will be updated when the data arrives.

Slide 23:

Interpol Media Release, December 28, 2005, http://www.interpol.com/Public/ICPO/PressReleases/PR2005/PR200551.asp

Slide 24:

Associated Press, 12/29/05 Baghdad, Iraq

Slide 25:

- DOD Input to Weekly Status Report 04 Jan 06-Report is updated bi-weekly.

Slide 26:

- www.whitehouse.gov
- Embassy Baghdad Press Release, December 31 www.usinfo.state.gov, January 1

Slide 27:

- www.state.gov
- www.usinfo.state.gov, Jan 01, 2006